

# Kyrgyz Republic Pilot Program for Climate Resilience

## Development of the Strategic Programme for Climate Resilience 1<sup>st</sup> Joint MDB Mission (18 – 22 April 2016)

### Aide Memoire

20 May 2016

*The European Bank for Reconstruction and Development, the Asian Development Bank and the World Bank wish to thank the Government of the Kyrgyz Republic for its support to the First Joint Multilateral Development Bank Mission to commence the process of formulating a Strategic Programme for Climate Resilience under the Pilot Program for Climate Resilience in the Kyrgyz Republic. This will enable the Kyrgyz authorities to establish a coordination mechanism and strategic programme for channelling resources from international climate finance mechanisms into transformative climate resilience investments across a range of priority sectors. The inputs of the Kyrgyz authorities and other stakeholders are sincerely appreciated<sup>1</sup>. This Aide Memoire outlines the findings and recommendations of the mission<sup>2</sup>.*

## I. OVERVIEW

**International climate finance is being scaled up significantly in line with international climate change negotiations, most notably COP21 (Paris) in December 2015.** The Green Climate Fund (GCF) has received pledges in excess of USD 10 billion and made its first funding approvals in November 2015. Also, in June 2016 donors are expected to take a decision on replenishment of the Climate Investment Funds (CIF), which have already allocated more than USD 6 billion of concessional climate finance. The Global Environment Facility (GEF) is also expected to continue to provide concessional finance for climate resilience, while other donors including the European Union (EU) are prioritising climate action through their development assistance. The scale of these finance mechanisms is creating opportunities for recipient countries to build climate resilience through transformative investments that support priority socio-economic sectors, improved infrastructure and private sector growth.

**The Kyrgyz Republic is eligible for climate funds that support climate resilience.** The Kyrgyz Republic's eligibility for these funds is based primarily on the fact that it is considered to be one of the most climate vulnerable countries in the Europe & Central Asia (ECA) region due mainly to its exposure to climate change risks associated with its glacial hydrology and mountainous terrain. In line with international agreements under the United Nations Framework Convention on Climate Change (UNFCCC), the Kyrgyz Republic is already eligible for the GCF and for the GEF's Special Climate Change Fund (SCCF)<sup>3</sup>. In May 2015 the Kyrgyz Republic also became eligible for the CIF's Pilot Programme for Climate Resilience (PPCR). The Kyrgyz Republic has recently been selected to join

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<sup>1</sup> See Annex B for the list of agencies and individuals consulted during the course of the mission.

<sup>2</sup> The understandings and agreements summarized in this Aide Memoire are subject to the review and concurrence by the higher authorities in ADB.

<sup>3</sup> The State Agency for Environment Protection and Forestry (SAEPF) is the national Focal Point for the GCF, GEF and PPCR.

the PPCR Sub-Committee<sup>4</sup> and is therefore required to send a representative to PPCR Sub-Committee meetings, including the June 2016 meeting, at which donor replenishment of the PPCR will be decided. Competition for climate finance (especially for those resources that may be provided on concessional terms) is fierce; however the PPCR process offers the Kyrgyz Republic a unique opportunity to (a) increase its climate finance readiness and (b) strengthened its position in accessing financial resources of the GCF.

**Climate finance in support of climate resilience could benefit both public and private entities in key economic and socio-economic sectors in the Kyrgyz Republic.** The energy sector is dominated by hydropower, which is highly sensitive to climatic variability and climate change. Water resources, which are of critical importance for agricultural production (irrigation) and drinking water supplies for the population, are expected to become more erratic as a consequence of climate change. Other relevant sectors include health, emergency responses, forests and biodiversity, and may also include others such as mining and transport. Improved hydro-meteorological services are needed to improve access to reliable climate data and forecasts that can benefit all of these climate-sensitive sectors. Across these sectors, climate finance could leverage significant and transformational volumes of investment towards climate-smart outcomes.

**The Kyrgyz Republic needs to develop an effective climate finance coordination mechanism in order to access climate funds and channel climate and development finance into climate-smart investments supportive of the country's development priorities.** The PPCR process offers a timely and well-resourced opportunity to develop a strategic climate investment planning framework in the shape of the Strategic Programme for Climate Resilience (SPCR), and to establish a well-functioning climate finance coordination mechanism. The Joint Multilateral Development Bank (MDB) Mission has been able to identify the core functions of this mechanism. Some of these already exist within the State Agency for Environment Protection and Forestry (SAEPF), but need to be further strengthened and better resourced. Other necessary functions of a climate finance coordination mechanism do not yet exist in the Kyrgyz Republic, and in order to fulfil this need, the Joint Mission recommends establishing a Climate Finance Secretariat within the Government of the Kyrgyz Republic. This Secretariat should be carefully designed in order to ensure coordination with relevant existing coordination mechanisms, including the Coordination Committee on Climate Change Problems (CCCCP) and the Coordination Council on Macroeconomic and Investment Policy (CCMIP).

**The Joint Mission has identified a number of next steps for developing the SPCR and designing the Climate Finance Secretariat.** The MDBs and Kyrgyz authorities will follow these up over the coming months. The MDBs will provide comprehensive technical assistance supported by PPCR Phase I resources for this work, and a specialised Expert Team will be mobilised by the EBRD on behalf of the MDBs<sup>5</sup>.

- Expert Team to conduct further analysis of the necessary institutional arrangements for an effective climate finance coordination mechanism, covering both capacity building needs for existing relevant functions (e.g. SAEPF, CCCCCP) and the detailed design of a dedicated Climate Finance Secretariat that links in effectively with relevant existing coordination mechanisms (May/June);

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<sup>4</sup> The PPCR Subcommittee is the governing body of the PPCR and consists of representative of donor and recipient countries. It meets approximately three times a year, usually in Washington, D.C.

<sup>5</sup> EBRD is the lead MDB on the Kyrgyz PPCR.

- Expert Team to conduct further analysis of priority climate change risks and climate resilience actions in the Kyrgyz Republic leading to the identification of priority sectors for climate resilience and the development of initial climate resilience project pipelines (May/June);
- Donor replenishment of the PPCR to be decided at the PPCR Sub-Committee meeting in Mexico on 17 June 2016. The Kyrgyz Republic is now a member of the PPCR Sub-Committee and will therefore have a seat at the table when decisions on PPCR replenishment and distribution of PPCR resources between recipient countries are made (mid-June);
- A preliminary outline of the SPCR to be shared with the Kyrgyz Authorities for review and discussion (June/July); and
- Second Joint MDB Mission to discuss SPCR structure, content and recommendations with the Kyrgyz Authorities (after the CIF PPCR Sub-Committee meeting).

## II. BACKGROUND

The PPCR is a funding window of the CIF that assists partner countries in integrating climate resilience into development planning, and provides funding for innovative public and private sector solutions to pressing climate-related risks. In March 2015 the Government of the Kyrgyz Republic submitted an Expression of Interest in participating in the PPCR, which was subsequently approved by the PPCR Sub-Committee in May 2015. The Sub-Committee has approved a grant of USD 1.5 million to enable the Kyrgyz Republic to take a leadership role in working with the MDBs to develop its SPCR. The Sub-Committee recommended that the SPCR should be designed to attract funding from other sources, including other climate finance mechanisms such as the Green GCF in addition to implementation resources that may be provided under the PPCR.

A Joint MDB Scoping Mission took place from 19-22 October 2015 in Bishkek to initiate a dialogue with the Government and its primary stakeholders to identify and plan the activities that will enable the sound preparation of the SPCR. As confirmed during the Scoping Mission<sup>6</sup>, the PPCR in the Kyrgyz Republic will be carried out in two phases. During phase I of the PPCR (targeted for less than 12 months), the Kyrgyz Republic will:

- (i) prepare the SPCR and undertake institutional analysis in order to inform decisions on the longer-term capacity development needs of the Kyrgyz Government in the area of climate resilience strategic planning (PPCR Phase 1 Component 1);
- (ii) build essential capacities for SPCR delivery, including the management of climate resilience programmes and activities, effective monitoring and evaluation, communications and outreach, awareness raising, and other technical capabilities (e.g., data collection and management, tools for climate assessment and decision-making support) (PPCR Phase 1 Component 2); and
- (iii) undertake preparatory analytical work (including defining a set of criteria for a transparent prioritisation process) to identify priority climate resilience investments within the broader context of the Kyrgyz Republic National Sustainable Development Strategy (under revision), the Priority Directions for Adaptation to Climate Change in the Kyrgyz Republic, and other relevant national documents to help the country embark upon a climate resilient development path (PPCR Phase 1 Component 3)<sup>7</sup>.

<sup>6</sup> Aide memoire from the PPCR Scoping Mission can be found using [this](#) link.

<sup>7</sup> The structure of the PPCR Phase 1 activities was endorsed by the MDB PPCR Committee on 5 February 2016.

The SPCR design and implementation activities will be closely coordinated with key national stakeholders, development partners and civil society organisations active in the Kyrgyz Republic.

The Kyrgyz authorities expressed a preference for a hybrid approach for the management of the SPCR preparation grant, in which some components will be executed by the Kyrgyz authorities (nationally-executed activities), and some targeted components will be executed by the MDBs (MDB-executed activities). More specifically:

- Nationally-executed activities will focus on building longer-term capacity and technical skills (Component 2), so that they can be embedded and operational by the time that SPCR implementation begins. The sorts of capacities needed include the recruitment of additional long-term experts, together with institutional development, training, communications and other activities. Given the longer-term nature of these activities, and the need for it to be fully embedded into government structures, it was concluded that it would be appropriate for activities to be client-executed. This is also consistent with lessons from the PPCR implementation in the first group of PPCR pilot countries that client-executed modality increases ownership and enhance counterpart's capacity for successful SPCR implementation.
- MDB-executed will be those activities, where the Kyrgyz authorities need immediate additional expert support in order to overcome obstacles caused by immediate institutional capacity constraints and expedite rapid action on creating a platform for planning PPCR roll-out and institutional capacity development. These activities will include providing support for SPCR development and institutional analysis (Component 1) and carrying out sector analysis in order to develop a pipeline of investments (Component 3). In implementing these activities, MDBs would build on their extensive expertise and experience from other PPCR pilot countries as well as on experiences gained by the Kyrgyz authorities in setting climate adaptation priorities and in establishing CCCCCP. Furthermore, MDBs have strong knowledge management and lessons learned components in their current projects which will allow for the sharing of information.

### **III. 1<sup>st</sup> JOINT MDB MISSION OBJECTIVES AND ACTIVITIES**

The main objective of the Joint Mission was to commence the process of formulating the SPCR, through a participatory and inclusive consultation process with key stakeholders, in order to build consensus on priority activities for Phases I and II. The Joint Mission was hosted by the Government of the Kyrgyz Republic (led by the SAEPF as PPCR Focal Point), and involved the active engagement of members of the Inter-Agency Working Group tasked with supporting development of SPCR (see Annex C for list of members), representatives of central planning ministries, as well as development partners and civil society organisations (see Annex B for full list of mission participants). The full Terms of Reference for the Joint Mission can be found in Annex D.

Key tasks undertaken by the 1<sup>st</sup> Joint MDB Mission included:

- (i) firming up country ownership of the PPCR process through broad inter-agency participation;
- (ii) evaluating the activities, programmes and projects that have been completed, are ongoing or under preparation that address climate change adaptation, analysing their achievements and challenges;
- (iii) identifying the longer-term capacity development needs of the Kyrgyz authorities in the area of climate resilience strategic investment planning (e.g., data, tools and technical assistance needs, skill mix and staffing required, institutional arrangements);

- (iv) developing rationale and criteria for identifying priority government sectors and climate resilience actions, with a focus on project development and implementation during Phase II; and
- (v) agreeing on the scope, cost and the necessary institutional arrangements for the SPCR formulation.

The next sections of the Aide Memoire summarise key outcomes of the discussions held during the Joint Mission between SAEPF in its capacity as the PPCR Focal Point, members of the Inter-Agency Working Group, civil society organisations and academia, development partners and MDBs. Activities described below will be carried out by the MDBs, in close coordination with the Kyrgyz authorities, and supported by the Expert Team contracted to support the Kyrgyz authorities in developing its SPCR (PPCR Phase 1 Component 1).

#### **IV. EMERGING FRAMEWORK FOR CLIMATE FINANCE INSTITUTIONAL ANALYSIS**

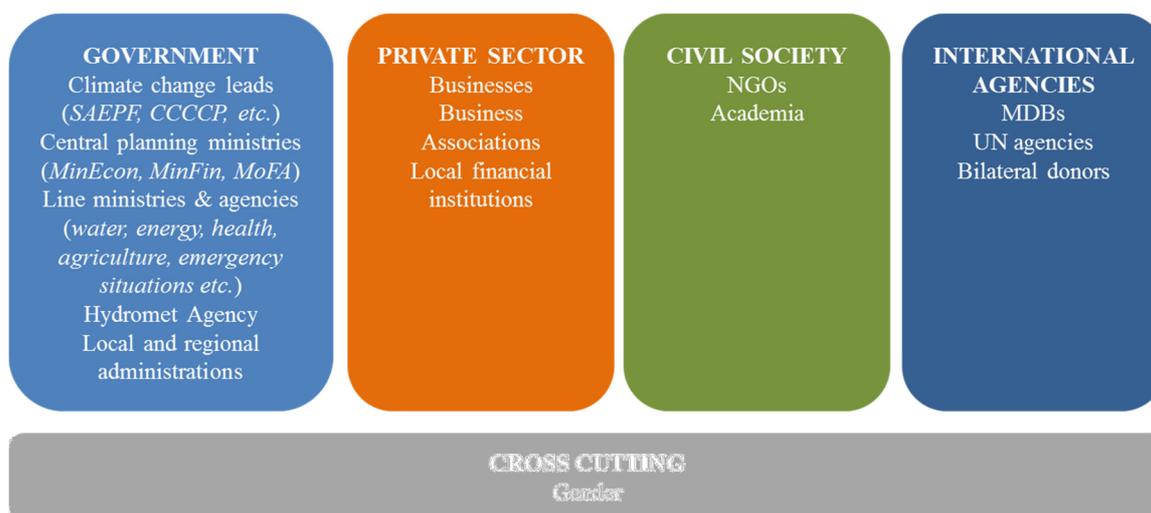
The PPCR process offers a timely and well-resourced opportunity to establish a well-functioning climate finance coordination mechanism that would facilitate access to climate finance funds and channel climate and development finance into climate-smart investments supportive of the country's development priorities. During the Joint Mission, MDBs carried out an initial skills and capacity assessment to identify key stakeholders who should be involved in a detailed institutional analysis leading to the establishment of the coordination mechanism. These stakeholders are:

- i. Government authorities:
  - Climate change leads, including State Agency on Environment Protection and Forestry (SAEPF), Climate Change Centre (CCC), and Coordination Commission on Climate Change Problems (CCCCP);
  - Central planning ministries, including Ministry of Economy, Coordination Council for Macroeconomic and Investment Policy (CCMIP), Ministry of Finance and Ministry of Foreign Affairs;
  - Line ministries and agencies, including Ministry of Agriculture and Land Reclamation, Ministry of Economy (on energy sector related issues), Ministry of Health, Ministry of Emergency Situations, Ministry of Transport and Communication, State Agency on Environment Protection and Forestry, State Agency of Architecture, Construction and Housing and Communal Economy under the Government of the Kyrgyz Republic (incl. Department of Drinking Water Supply and Sanitation Development), National Institute for Strategic Planning, and National Statistical Committee;
  - Kyrgyzhydromet – National Agency for Hydrometeorology under the Ministry of Emergency Situations of the Kyrgyz Republic;
  - Local and regional administrations.
- ii. Civil society organisations (CSOs) and academia;
- iii. International Agencies, including the MDBs, the UN agencies, bilateral donors and development partners; and
- iv. Private sector, including businesses, businesses associations and local financial institutions.

Furthermore, it was agreed between the MDBs and the Kyrgyz authorities that dedicated consultations on cross-cutting themes such as gender would be held by the MDBs and Expert Team before the Second Joint MDB Mission in order to provide recommendations for how gender could be

mainstreamed in climate resilience activities in the Kyrgyz Republic. The institutional analysis consultations will inform the detailed design of a dedicated Climate Finance Secretariat.

**Fig. 1** Proposed framework for SPCR Institutional Analysis as presented by the MDBs and endorsed by the Kyrgyz authorities



## V. EMERGING FRAMEWORK FOR IDENTIFYING PRIORITY CLIMATE CHANGE RISKS AND RESILIENCE ACTIONS IN THE KYRGYZ REPUBLIC

### 1. Framework for identifying priority climate change and resilience actions

Climate finance for resilience could benefit both public and private entities in key economic and socio-economic sectors in the Kyrgyz Republic. During the Joint Mission, a general, four-step framework approach for identifying priority climate change risks and resilience actions has been discussed and endorsed by the Kyrgyz authorities. The framework approach (see Fig. 2) follows the practices in developing sector strategies for adaptation adopted by the Kyrgyz authorities and consists of the following steps:

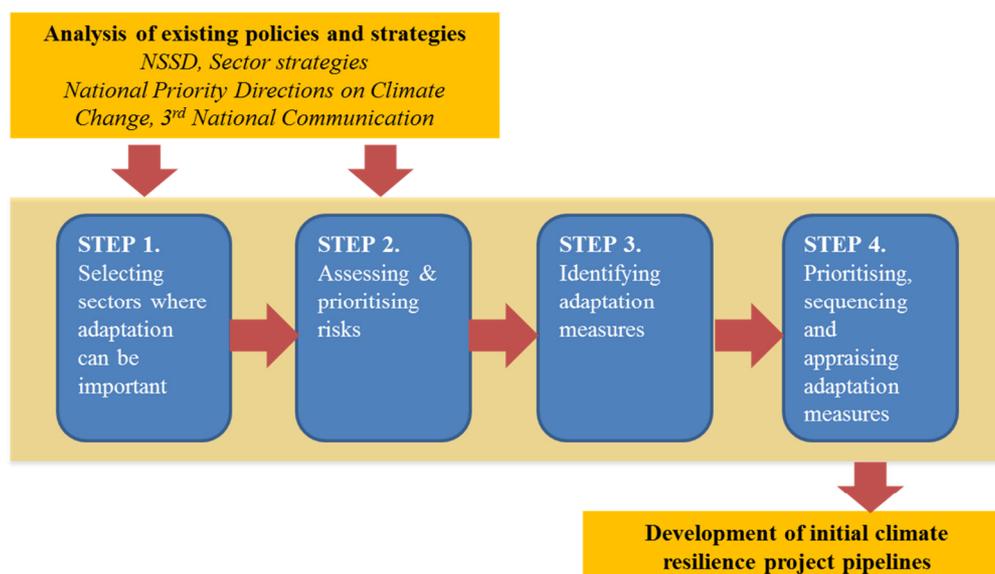
- STEP 1. Selecting sectors where adaptation can be important
- STEP 2. Assessing and prioritising climate risks
- STEP 3. Identifying adaptation measures
- STEP 4. Prioritising, sequencing and appraising adaptation measures

Establishing the framework approach aims at instituting the process in which pipelines of viable investment proposals for consideration for financing with PPCR implementation phase resources and/or other climate finance sources, including the GCF and GEF are built. Further work will be conducted by the Expert Team that aims at:

- i. reviewing and critically analysing existing relevant national policies and strategies, including the National Sustainable Development Strategy for the Kyrgyz Republic, the Priority Directions on Adaptation to Climate Change, the Second National Communication to UNFCCC, draft Third National Communication to UNFCCC, and supplement the analysis with an independent expert analysis of climate risks;

- ii. reviewing and critically analysing climate resilience priorities in all sectors of the economy; and conduct systematic cross referencing of climate risks against socio-economically significant sectors to ensure that all importance resilience actions have been identified; and
- iii. preparing a pipeline of potential, viable climate resilient activities - investment and technical assistance proposals, for consideration for financing with PPCR implementation phase resources and/or other climate finance sources, including GCF.

**Fig. 2** Proposed framework approach for developing initial climate resilience project pipelines in the Kyrgyz Republic as presented by the MDBs and endorsed by the Kyrgyz authorities



## 2. Identification of priority sectors for climate resilience

Dedicated sector discussions with the representatives of ministries and agencies took place during the Joint Mission that aimed at reviewing any existing pipelines of climate resilience actions that have been prepared in priority sectors (see Annex A for summary of discussions with Kyrgyz partners). The starting point for discussion were sectors and climate resilience measures identified in the Kyrgyz Government Resolution “On approval of Priority Directions on Adaptation to Climate Change till 2017”, which include the following sectors vulnerable to climate change: water resources, agriculture, energy, emergency situations, health care, forestry and biodiversity. A cross cutting theme includes information sharing, education and scientific capacity.

Discussions highlighted different level of understanding of climate risks and adaptation readiness for the sectors already included in the Priority Directions. The mission concluded that energy sector, which in the Kyrgyz Republic is highly dependent on hydropower generation, should also be looked at from the climate resilience point of view (not only mitigation). The mission further identified through discussions with the Kyrgyz authorities a number of sectors that will be additionally considered when developing pipelines of climate resilient measures. These include:

- **transport sector** where improvements to transport infrastructure have dual benefits, both in terms of mitigation and adaptation benefits as well as in terms of development and climate resilience benefits;

- **municipal water supply sector** which needs to ensure access to safe and clean potable water for Kyrgyz urban population; and
- **mining sector** which is an important economic sector, but where climate vulnerabilities may not have been looked at all so far.

As agreed during the mission, these additional sectors will also be analysed by the international Expert Team, in close cooperation with the Kyrgyz authorities to ensure full compatibility with existing national strategies. Finally, a dedicated workshop with private sector representatives will be organised to seek their input and engagement in designing and implementing climate resilience measures.

### ***3. Design of a climate finance project cycle***

In order to support the Kyrgyz authorities in accessing and leveraging climate finance, MDBs and the Expert Team will design a climate finance project cycle which may take the form of or include a decision tree, which could be followed by the Kyrgyz authorities. The climate finance project cycle will capture the following processes:

- i. a funding proposal preparation and an approval process established by climate finance funds, including PPCR, GCF, GEF and other relevant climate finance mechanisms;
- ii. a process of an investment project preparation, approval, implementation and monitoring, followed by the MDBs, including ADB, EBRD and WB, bilateral donors; and other relevant stakeholders in order to understand requirements for developing viable climate resilience investments and associated technical assistance activities;
- iii. in-country project approval processes and required involvement of Ministry of Economy, Ministry of Finance and CCMIP.

When developing the climate finance project cycle, the following elements will be taken into consideration:

- Size of projects (small vs large projects);
- Client (public vs private projects);
- Project type (investment vs technical assistance projects; grant, highly concessional, slightly concessional, commercial projects);
- Type of instrument (grant, guarantee, concessional loan, commercial loan, etc.).

## **VI. EMERGING FRAMEWORK FOR ESTABLISHING AN EFFECTIVE CLIMATE FINANCE COORDINATION PROCESS IN THE KYRGYZ REPUBLIC**

### ***1. Essential functions of an effective climate finance coordination mechanism***

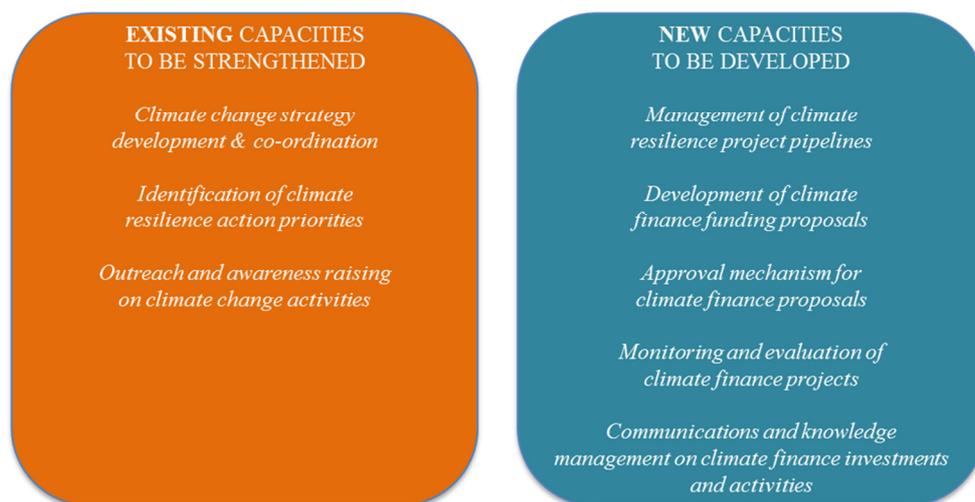
In order to access climate funds and channel climate and development finance into climate-smart investments supportive of the country's development priorities, the Kyrgyz Republic needs to develop an effective climate finance coordination mechanism. During the Joint Mission, the core functions of this mechanism have been identified and recommended by the MDBs, which include:

- Climate change strategy development and co-ordination;
- Identifying climate action priorities;
- Development of climate project pipelines;
- Development of climate funding proposals;
- Securing government approval of funding proposals;

- Implementation of climate projects;
- Monitoring and evaluation of climate projects; and
- Outreach and awareness-raising.

The MDBs and the Kyrgyz authorities identified that some of those functions already exist in the Kyrgyz Republic, for instance within SAEPF and CCCCCP, however need to be further strengthened and better resources in order to meet the requirements of the climate finance funds. Other necessary functions of the climate finance coordination mechanism do not yet exist in the Kyrgyz Republic (see Fig. 3). In order to fulfill this need, the MDBs have recommended establishing a Climate Finance Secretariat within the Government of the Kyrgyz Republic. To ensure long-term sustainability of the proposed coordination mechanism, the Climate Finance Secretariat need to be carefully designed in order to ensure coordination with relevant existing coordination mechanisms, including CCCCCP and CCMIP, as well as key stakeholders, including line ministries and agencies, civil society organisations, donors and development partners.

**Fig. 3** Capacity development needs for climate finance coordination identified by the MDBs and the Kyrgyz authorities



To inform the design of the climate finance coordination mechanism in the Kyrgyz Republic, which will support the SPCR implementation, the MDBs and the Kyrgyz authorities agreed that a detailed assessment of skills and capacities of current institutions in the Kyrgyz Republic, including ministries, agencies, and coordination councils., to perform the above-mentioned functions, will be conducted by the Expert Team, with support from the MDBs and the Kyrgyz authorities.

## ***2. Capacity development programme for climate finance coordination***

Upon completion of the capacity development analysis, MDBs and international expert team will assist the assist the Kyrgyz authorities in developing an institutional capacity programme which will be implemented by the Kyrgyz authorities themselves as part of the SPCR TA Component 2. The programme will consist of two main components:

- i. Development of a detailed institutional design of the Climate Finance Secretariat, including providing recommendations on:

- structure of the Climate Finance Secretariat, including number of staff, their roles and responsibilities, reporting lines, and contract arrangements;
  - location of the Climate Finance Secretariat, including information on the office space and specific equipment that would need to be installed;
  - IT requirements, web-site domain, e-mail system, etc.
- ii. Development of a training programme for all staff at relevant ministries and agencies who would continue leading on climate resilience activities in their respective institutions.

## VII. PROPOSED PROCESS AND NEXT STEPS TOWARDS SPCR APPROVAL

#	ACTION	TIMEFRAME
1	MDBs to share mission Aide Memoire	by 20 May 2016
2	Component I Expert Team to be fully assembled and mobilised	by 31 May 2016
3	Component I Expert Team to hold focused sector and institutional analysis consultations with stakeholders in the Kyrgyz Republic	May-June-July 2016
4	Donor replenishment of the PPCR to be decided at the PPCR Sub-Committee meeting in Mexico on 16 June. The Kyrgyz Republic is now a member of the PPCR Subcommittee and will therefore have a seat at the table when decisions on PPCR replenishment and distribution of PPCR resources between recipient countries are made.	16 June 2016
5	Initial draft SPCR to be prepared by MDBs and the Expert Team	30 June 2016
6	MDBs to develop options for capacity building programme (Component 2) that would be implemented by the Kyrgyz authorities	June-July-August 2016
7	PPCR Second Joint MDB Mission to discuss and develop draft SPCR with Kyrgyz stakeholders	after the CIF PPCR Sub-Committee meeting

## **ANNEX A: Summary of Discussions with Kyrgyz Partners**

### **1. *State Agency for Environmental Protection and Forestry***

As the central coordinating agency on PPCR/SPCR (and climate change action more broadly), SAEPF was able to offer a large amount of information and experience while demonstrating enthusiasm and energy in support of the SPCR preparation process. To facilitate the process of SPCR development, SAEPF convened an Inter-Agency Working Group (Working Group) tasked with assisting MDBs and the Expert Team in identifying priority sectors for climate resilience and the development of initial climate resilience project pipelines. Furthermore, the Working Group will assist in designing an effective climate finance coordination mechanism in order to access climate finance funds and channel climate and development finance into climate-smart investments supportive of the Kyrgyz Republic's development priorities. MDBs welcomed this development and recognised that it will significantly improve the process of information sharing about the processes and requirements of PPCR as well as other climate finance mechanisms, such as GCF.

During the meetings the management of SAEPF confirmed that Kyrgyz authorities envision the SPCR as a national strategic document, developed through a participatory and inclusive consultation process with key stakeholders, that strengthens and is articulated with the Kyrgyz Republic National Sustainable Development Strategy (under revisions), the Priority Directions for Adaptation to Climate Change in the Kyrgyz Republic and other relevant national documents. Furthermore, it was agreed that, in order to ensure that the document conforms to the Government's and CIF's expectations, the Expert team will review and analyse existing relevant national policies and strategies, including the National Sustainable Development Strategy for the Kyrgyz Republic, the National Priority Directions on Adaptation to Climate Change, the Second National Communication to UNFCCC, draft Third National Communication to UNFCCC, and supplement the analysis with own independent expert analysis of climate risks. The results of the analysis will be presented to SAEPF and other key stakeholders during the Second Joint MDB Mission.

### **2. *Inter-Agency Working Group (line ministries and agencies)***

Meetings were held with the members of the Inter-Agency Working Group that comprises the following ministries and agencies (see also Annex C for details):

1. Ministry of Public Health of the Kyrgyz Republic;
2. Ministry of Emergency Situations of the Kyrgyz Republic;
3. Hydrometeorology Agency (Kyrgyzhydromet);
4. Ministry of Agriculture and Land Reclamation of the Kyrgyz Republic;
5. Ministry of Transport and Communication of the Kyrgyz Republic;
6. Ministry of Economy of the Kyrgyz Republic (responsible for energy sector); and
7. State Agency on Environment Protection and Forestry.

The discussions with the members of the Inter-Agency Working Group demonstrated that the majority of the line ministries and agencies have good understanding of the climate change issues. Ministry of Health, Ministry of Agriculture and Land Reclamation, Ministry of Emergency Situations and the State Agency on Environment Protection and Forestry have already carried out sectoral analyses of the climate change implications and priorities that are relevant to their roles and responsibilities, thus illustrating certain capacities to carry out the following functions of a climate finance coordination mechanism: (i) climate change strategy development and co-ordination, and (ii) identification of

climate resilience action priorities. Other ministries and agencies lack such experience and would require technical support in carrying out sector assessments of the climate change implications and priorities.

All representatives welcomed the SPCR preparation process and confirmed they would liaise with the SAEPF in its capacity as the PPCR Focal Point on that matter to either strengthen or develop skills required to prepare a pipeline of potential, viable climate resilient activities - investment and technical assistance proposals, for consideration for financing with PPCR implementation phase resources and/or other climate finance sources, including GCF. Furthermore, it was agreed that the following activities will be carried out by MDBs and the Expert Team, in coordination with SAEPF, line ministries and agencies:

1. Review and assessment of sector climate resilience priorities for the following sectors: (i) public health, (ii) emergency response, and (iii) agriculture and water resources. For those sectors where sector analyses are not available, an expert assessment of key climate risks to each sector will be conducted by the Expert Team;
2. Review and systematic cross referencing of climate risks against socio-economically significant sectors to ensure that all important resilience actions have been identified;
3. Review and assessment of any existing pipelines of projects/investments that have been prepared in priority sectors and/or by sector ministries/agencies.

Based on the outcomes of these activities, MDBs and the Expert Team will prepare recommendations for further sector analysis that would support identification on sector climate resilience priorities in the Kyrgyz Republic. The initial results will be presented and discussed with the members of the Inter-Agency Working Group during the Second Joint MDB Mission.

### **3. *Central Government Ministries***

#### **Ministry of Economy**

Mr. Alymbek Orozbekov, Head of Investment and PPP Department at the Ministry of Economy, clarified the role of the Coordination Council on Macroeconomic and Investment Policy (CCMIP), which prioritizes and approves national investment projects, and the role of the Ministry of Economy, Ministry of Finance and Prime Minister's Office in coordinating aid-funded projects. He highlighted the important relationship between the CCCC mechanism and central government coordination of external finance flows (e.g., from MDBs and donors), and stressed that ensuring an effective link between these two levels of coordination will be essential for effective SPCR development and implementation. Mr. Orozbekov also explained that the development of the National Sustainable Development Strategy mid-term (2018-2023) and long-term (to 2030) programmes is underway, and should incorporate components of the upcoming SPCR.

#### **Ministry of Finance**

Mr. Mirlan Baygonchokov, Deputy Minister of Finance, noted that government budgeting was undertaken on a program-wise basis, and that ministries should be made aware of the SPCR. The coordination of SPCR preparation through the Inter-Agency Working Group was discussed, and it was agreed that a representative of the Ministry of Finance will participate in the future meetings of the group. Finally, it was discussed and agreed that SPCR development process, which includes PPCR activities and investments, need to be aligned with central government planning processes to ensure effective implementation of undertaken activities.

## **Prime Minister's Office**

Due to changes in the Government, the meeting with Mr. Mukhammetkaly Abulgaziev, First Vice Prime Minister, did not take place. Instead, MDBs sent a letter informing Mr. Abulgaziev that the First Joint Mission of the MDBs under the Pilot Programme for Climate Resilience (PPCR) took place successfully on 18-22 April 2016 in Bishkek. MDBs informed Mr. Abulgaziev about the consultations on SPCR development which happened during the Joint Mission with a wide range of government ministries and agencies, civil society representatives and international agencies as well as about the dedicated discussions with senior representatives of the Ministry of Finance and Ministry of Economy, given the importance of coordinating climate finance inflows with national investment planning processes. A note was made about an *Aide Memoire* of the Joint Mission which will be prepared by the MDBs and will be shared with you and other Kyrgyz government partners in May. Finally, MDBs thanked the Kyrgyz authorities, especially the State Agency for Environment Protection and Forestry, for their very helpful and constructive cooperation during the Joint Mission.

### **4. Development Partners**

A dedicated consultation workshop was held with representatives of donor and development partners on Thursday, 21 April 2016. The workshop focused on the development and future implementation of the Pilot Programme for Climate Resilience (PPCR) for the Kyrgyz Republic and the corresponding Strategic Programme for Climate Resilience (SPCR), which aim at creating a platform for greater engagement with key stakeholders in the Kyrgyz Republic. Participants also discussed current developments in the climate finance landscape, including the scale and features of international climate finance funds such as the Climate Investment Funds (CIF), and the Green Climate Fund (GCF), which could support the Kyrgyz authorities in building climate resilience through transformative investments in priority socio-economic sectors.

The representatives of donor agencies and development partners exchanged their views on current experience in developing and implementing climate resilience measures in the Kyrgyz Republic. They identified a number of areas where further actions are particularly needed to scale up climate resilience response readiness of the Kyrgyz authorities; thus should be considered in the preparation of the SPCR. These areas included energy and municipal water supply infrastructure (both in urban and rural areas), irrigation water management, agriculture and food security, disaster risk reduction and land use management. The participants also stressed the need to integrate the Sustainable Development Goals (SDGs) into SPCR.

The participants recognized that in order to combat the impacts of climate changes, Kyrgyz authorities need to establish a mechanism which would enable them to access additional financial resources for the priority climate resilience investments. MDBs, GIZ and UNEP shared their experiences in setting up such coordination mechanisms for accessing climate finance in other countries, including Tajikistan, Uzbekistan and Montenegro, using the PPCR Phase I resources and the GCF Readiness Programme. They stressed the benefits of establishing one coordination system for various climate finance funds as opposed to separate ones for each fund, which could benefit a wider group of stakeholders, including MDBs, development partners, UN agencies and private sector investors.

Finally, the participants noted that future efforts in scaling up climate resilience activities should be focused on strengthening and developing capacities of government institutions, both at national as

well as local level. They also stressed the need for greater transparency and exchange of information between those stakeholders that are active in the climate change area, as it could strengthen the impact and sustainability of the climate resilience measures. Development partners and donor agencies concluded that PPCR offers a timely and well-resourced opportunity to develop a strategic climate investment planning framework in the shape of the SPCR, and to establish a well-functioning climate finance coordination mechanism. They expressed their readiness and willingness to support MDBs and national authorities in the implementation of the PPCR.

### ***5. Civil Society Organisations and Academia***

A dedicated consultation workshop was held with representatives of civil society organisations on Thursday, 21 April 2016. The workshop focused on the development and future implementation of the Pilot Programme for Climate Resilience (PPCR) for the Kyrgyz Republic and the corresponding Strategic Programme for Climate Resilience (SPCR). Participants also discussed current developments in the climate finance landscape, including the scale and features of international climate finance funds such as the Climate Investment Funds (CIF), Green Climate Fund (GCF) and the Global Environment Facility (GEF), as well as the respective implications for engagement with CSOs and other relevant local community stakeholders in the design and implementation of activities aiming to build climate resilient communities.

The discussions highlighted climate change vulnerabilities experienced by local communities and offered an analysis of climate resilience priorities from the viewpoint of CSOs in different sectors of the economy, in particular water resources (including the impact on agricultural production and safe drinking water services), energy, health, conservation and the use of ecosystem services, as well as transport. CSO representatives presented examples from their project portfolio and their track record on response measures for building climate change resilience. The specific strengths of civil society organisations were highlighted, which make them particularly well-placed to carry out awareness raising activities, conduct trainings, and engage local communities in decision-making and resource management processes. CSO participants recommended to consider (i) establishing cross-sector cooperation with the private sector, (ii) establishing intra-regional cooperation among CSOs; (iii) implementing demonstration projects (with support of CSOs), and (iv) scaling up innovative, resource efficient technologies, especially among vulnerable communities. CSOs also suggested that they could play an important role in monitoring, reporting and verification to better identify and respond to climate change risks. To respond to capacity building needs of local CSOs, the establishment of a platform of ‘green consultants’ was mentioned as an example of suggested measures.

Workshop participants agreed on the need for effective communication and outreach mechanisms in the course of SPCR development and implementation. Participants emphasised that climate resilience measures can be more effective and sustainable through the engagement of civil society stakeholders, in particular through meaningful consultation processes, involvement in the design and implementation of investment projects and initiatives, as well as participation in the establishment of a platform for coordinated work among all relevant stakeholders in Kyrgyz Republic.

## ANNEX B. List of Contacts Consulted during the 1<sup>st</sup> Joint MDB Mission

### 1. List of representatives of the SAEPF, Inter-Agency Working Group, Ministries and Agencies

NAME OF THE INSTITUTION	NAME OF THE REPRESENTATIVE	POSITION
<b>State Agency on Environment Protection and Forestry</b>	Atadzhanov Sabir	Director
	Bekkulova Djyparkul	Head of the Environmental Strategy and Policy Department
	Salykmambetova Baglan	Head of the International Cooperation Department
	Barieva Aizada	Chief specialist of Environmental Strategy and Policy Department
	Kyazova Aizada	Leading specialist of Environmental Strategy and Policy Department
	Stamkulov Marat	Leading specialist of International Cooperation Department
<b>Climate Change Centre</b>	Abaihanova Zuha	Director, Executive Secretary
	Ilisov Shamil	Deputy Director
<b>Inter-Agency Working Group</b>	Sultanova Jibek	Ministry of Finance of the Kyrgyz Republic
	Orozbekov Alymbek	Ministry of economy of the Kyrgyz Republic, Head of Investment and Public Private Partnership Department
	Kabaev Kuban	Ministry of Foreign Affairs of the Kyrgyz Republic
	Suvalnieva Sharipa	Ministry of Health of the Kyrgyz Republic
	Sharshenova Ainash	Ministry of Health of the Kyrgyz Republic, Head of Medicine Centre for Environment and Human Ecology Research and Production Center "Preventive Medicine"
	Sarybaeva Gulnara	Ministry of Health of the Kyrgyz Republic
	Spektorenko Natalia	Ministry of Emergency Situation of the Kyrgyz Republic
	Chernikova Tatiana	Ministry of emergency situation of the Kyrgyz Republic, Head of Hydro-meteorological Management, Forecasting and Information Provision Department
	Kadyrova Gulshat	Ministry of Emergency Situation of the Kyrgyz Republic, Head of Strategic Planning and Analytical Work Department
	Apasov Turusbek	Ministry of Agriculture and Land Reclamation of the Kyrgyz Republic, Acting Head of the Department of External

		Relations and Investments
	Irsakova Jamilia	National institute of strategic studies of the Kyrgyz Republic, Researcher
	Orozbaeva Kanykei	National institute of strategic studies of the Kyrgyz Republic, Head of the Statistics of Sustainable Development and Environmental Department

## 2. List of the representatives of donor and development partners

NAME OF THE INSTITUTION	NAME OF THE REPRESENTATIVE	POSITION
<b>AKDN (Aga Khan Development Network)</b>	Adylbek Ismailov	Senior Communication Officer
	Altaaf Hasham	Management and Program Liaison Officer
<b>DFID</b>	Nic Bowler	Deputy Head of DFID CA
<b>Embassy of Finland</b>	Anvar Prazdnikov	Honorary Consul
<b>GIZ</b>	Andre Fabian	Senior Advisor
	Holger Neuweger	Country Director
	Peter Thominski	Project Manager; Strengthening of Livelihoods through Climate Change Adaptation in Kyrgyzstan and Tajikistan
	Nicole Wegner	Advisor
<b>Embassy of Switzerland</b>	Tunzhurbek Kudabaev	National Program Officer/Basic Infrastructure
<b>EU Delegation - EEAS-BISHKEK</b>	Johannes Stenbaek Madsen	Head of Operations Section
	Mia Dubois-Boussaid	Attaché Project Manager
<b>FAO</b>	Cholpon Alibakeva	
	Heino Hertel	CTA
<b>Japan International Cooperation Agency (JICA)</b>	Madaminbek Seitov	Programme Offices
<b>KFW</b>	Olga Gorovenko	Deputy Director KfW Office Central Asia
<b>KOICA</b>	Ji Hye Kim	Project Manager
	Sungin Park	Country Director, KOICA in Kyrgyzstan
<b>UNDP</b>	Daniyar Ibragimov	Team Leader, Environment and Disaster Risk Management
	Vladimir Grebnev	Programme Coordinator for "Environment Protection for Sustainable Development"
<b>UNEP</b>	Natalia Alexeeva	Head of Sub-regional Office of UNEP for Central Asia
<b>USAID</b>	Luis J. Hernandez	Economic Development Office Director

	Paul S. Hamlin	Senior Economic Advisor
<b>UN World Food Programme</b>	Kieko Izushi	WFP Officer-in-Charge
	Dinara Abzhamilova	Vulnerability, Analysis and Mapping Unit (VAM) Officer
	Keigo Obara	Vulnerability, Analysis and Mapping Unit (VAM) Officer

### *3. List of the representatives of civil society organisations and academia*

<b>NAME OF THE INSTITUTION</b>	<b>NAME OF THE REPRESENTATIVE</b>	<b>POSITION</b>
<b>Public Foundation "Agency of Development Initiatives"</b>	Aida Jamangulova	Program Coordinator
<b>Public Foundation EnConsult</b>	Tamara Tuzova	
<b>Alliance of Central Asian Mountain Communities AGOCA</b>	Akylbek Rahmanberdi	
<b>ARIS Kyrgyz Republic's Community Development and Investment Agency</b>	Asel Yrysbekova	Specialist on monitoring and assessment
<b>CAREC (Regional Environmental Centre for Central Asia)</b>	Meder Seitkasymov	Office Manager
<b>Central - Asian Institute for Applied Geosciences (CAIAG)</b>	Moldobekov Bolot	Co-director
<b>Climate Action Network of Kyrgyzstan (CANK)</b>	Zarina Abumuslimova	CANK's coordinator
<b>CREED (Center for Renewable Energy and Energy Efficiency Development)</b>	Tatiana Vedeneva	President
<b>Ecological Movement "BIOM"</b>	Vladimir Korotenko	Director
	Alpha Nasyrova	Coordinator
<b>Environmental Protection Foundation</b>	Mr Kazimir Karimov	President
<b>Eurasia Foundation Central Asia</b>	Dinara Musabekova	Executive Director
<b>Kyrgyz Association of Forest and Land Users</b>	Aitkul Burhanov	General Director
	Aleksandr Temirbekov	Technical Advisor on Environment and Sustainable Development
<b>Ltd. Community International Consulting (CIC)</b>	Azamat uulu Nurbolot	Manager

<b>Ltd. GreenEnergy</b>	Sulaimanova A.B.	Director
<b>MSDSP KG, Aga Khan Foundation</b>	Kulanbaev Melisbek	Project Manager, Climate Change Adaptation
<b>NGO "ProfMed"</b>	Kasymov O.T.	Director
<b>Ozone Center</b>	Mars Amanaliev	Head
<b>PF EcoConsult</b>	Rysbek Satylkanov	
<b>Public Association "Agrarian Platform Kyrgyzstan"</b>	Bermet Tursalieva	Executive Director
<b>Public Association "Resource Centre for the Elderly" (RIC)</b>	Svetlana Bashtovenko	President
<b>Public Association "AGROLEAD"</b>	Kayirkul Kazylaeva	Manager
<b>Public Association "Gidropuls"/ Kyrgyz -Russian Slavic University</b>	Rogozin Grigory	Scientific Consultant, Assistant Professor
<b>Public Foundation "Camp Alatau"</b>	Aida Gareeva	Project Coordinator
	Aliya Ibraimova	Project Specialist
<b>Public Foundation "Ecois"</b>	Indira Zhakipova	Director
<b>Public Foundation "Fluid"</b>	Mr. Alexey Vedenev	President
<b>Public Foundation "Relascope"</b>	Nurbek Kuldanbaev	Director
<b>Public Foundation «AiVA Media»</b>	Tamara Valieva	Head
<b>Public Foundation of Sustainable Development "Yrystan"</b>	Dmitry Pereyaslavsky	
<b>Regional Mountain Centre</b>	Ismail Dairov	Executive Director
<b>Rural Development Fund - RDF</b>	Omorbekova Zahiba	Chief
	Zamira Kenjekulova	Manager
<b>Soros Foundation-Kyrgyzstan (SFK)</b>	Kumushkan Konurbaeva	Program Director, Natural Resources Governance Program
<b>Tian Shan Policy Center</b>	Kanat Sultanov	Executive Director
<b>Unison Group</b>	Nurzat Abdyrasulova	President
	Melisande Liu	CIM Expert
	Kubanichbek Jusupov	Independent Expert

#### 4. List of the MDB representatives

<b>NAME OF THE INSTITUTION</b>	<b>NAME OF THE REPRESENTATIVE</b>	<b>POSITION</b>
<b>European Bank for Reconstruction and Development</b>	Craig Davis	Head of Climate Change Adaptation
	Marta Modelewska	Policy Manager
	Nurgul Esenamanova	Climate Finance Officer
	Nurlan Jumaliev	Analyst, Municipal and Environmental Infrastructure
	Azamat Ibraimov	Associate Banker, Power and Energy
	Marianna Wiedenbeck	Associate Manager, Civil Society Engagement Unit
<b>Asian Development Bank</b>	Maria Pangiagua	Senior Portfolio management Specialist
	Almaz Asipjanov	National Environmental Safeguards Consultant
	Mamatkalil Razaev	NGO Focal Point
<b>World Bank</b>	Philippe Ambrosi	Senior Environmental Economist
	Tolkun Jukusheva	Operation Officer

## **ANNEX C: Order establishing Inter-Agency Working Group**

### **ORDER**

**April 12, 2016. Ref. no 01-9/92**

For the purposes of implementation of the Protocol # 19-22 of the February 16, 2016 Meeting with A. Jeyenaliyev, Head of the Department for Agroindustrial Complex and Environment of the Office of the Government of the Kyrgyz Republic, it is herewith

### **ORDERED**

1. To establish an Interagency Working Group as per the composition listed in the Annex hereto. The group shall be tasked with formulating proposals and negotiating with international donor organizations as part of the Pilot Programme for Climate Resilience
2. The members of the Interagency Working Group shall:
  - a. Participate in the activities of the PPCR joint mission of the representatives of Multilateral Development Banks
  - b. [Participate] in the development of a Work Plan detailing development and implementation of the national Strategic Programme for Climate Resilience and key activities of the of the Phase I of Kyrgyz Republic's participation in PPCR.
3. To assign the following responsibilities to the Foreign Relations Department and the Directorate for Environmental Strategy and Policy:
  - a. To coordinate the work and hold the meetings of the Interagency Working Group
  - b. To ensure review of the structure and key activities of the draft national SPCR and their approval by relevant ministries and agencies of the Kyrgyz Republic
  - c. To ensure proper communication (correspondence, bilateral meetings, etc.) with the Multilateral Development Banks for the purposes of PPCR.
4. To assign the responsibility for oversight over the implementation of this Order to myself.

Director

<signature>

S. Atadjanov

Copies: file, FRD, DESP

Certified by: N.K. Jumayev <signature>, A.A> Rustamov <signature>

**Annex 1 to the SAEPF Order # 01-9/92 of April 12, 2016**

<b>№</b>	<b>Names</b>	<b>Position</b>
1.	Sabir Atadzhanov (Mr.)	State Agency on Environment Protection and Forestry of the KR (SAEPF), Director, Chairman of the Working Group
2.	Kalybaev Mairambek (Mr.) (in concurrence)	Government Office of the Kyrgyz Republic, Expert of Agriculture and Ecology Department
3.	Dzhyarkul Bekkulova (Ms.)	SAEPF, Head of Environmental Strategy and Policy Department
4.	Baigabyl Tolongutov (Mr.)	SAEPF, Director of the Center of State regulation in the sphere of environmental protection and ecological safety
5.	Baglan Salykmambetova (Ms.)	SAEPF, Head of International Cooperation Department
6.	Aizada Barieva (Ms.)	SAEPF, Chief specialist of Environmental Strategy and Policy Department
7.	Aizada Kiyazova (Ms.)	SAEPF, Leading specialist of Environmental Strategy and Policy Department
8.	Marat Stamkulov (Mr.)	SAEPF, Leading specialist of International Cooperation Department
9.	Osomov Aibek (Mr.) (in concurrence)	Ministry of Finance of the Kyrgyz Republic, Leading Expert of the Technical Assistance Department
10.	Marat Cholponkulov (Mr.)	Ministry of Economy of the Kyrgyz Republic, Adviser to the Minister
11.	Alymbek Orozbekov (Mr.) (in concurrence)	Ministry of Economy of the Kyrgyz Republic, Head of Investment and Public-Private Partnership Division
12.	Kuban Kabaev (Mr.) (in concurrence)	Ministry of Foreign Affairs of the Kyrgyz Republic, First Secretary, Department of International Organizations and Security
13.	Ainash Sharshenova (Ms.) (in concurrence)	Ministry of Health of the Kyrgyz Republic, Head of Medicine Centre for Environment and Human Ecology Research and Production Center "Preventive Medicine"
14.	Ryskeldi Asanhodzhaev (Mr.) (in concurrence)	Ministry of Emergency Situations of the Kyrgyz Republic, Deputy Director of the Agency for Hydrometeorology
15.	Bolot Sharshenov (Mr.) (in concurrence)	Ministry of Emergency Situations of the Kyrgyz Republic, Head of Inspection of Dangerous Natural Processes
16.	Gulshat Kadyrova (Ms.) (in concurrence)	Ministry of Emergency Situations of the Kyrgyz Republic, Head of Strategic Planning and Analytical Work Department
17.	Tatiana Chernikova (Ms.) (in concurrence)	Ministry of Emergency Situations of the Kyrgyz Republic, Head of Hydrometeorological Management, Forecasting and Information Provision Department
18.	Rysbek Apasov (Mr.) (in concurrence)	Ministry of Agriculture and Land Reclamation of the Kyrgyz Republic, acting Head of the Department of External Relations and Investments
19.	Nurmat Musabekov (Mr.) (in concurrence)	Ministry of Transport and Communications of the Kyrgyz Republic, Leading Expert on Road Transport and Rail Transport Department
20.	Adilet Aldayar (Mr.)	State Agency of Architecture, Construction, Housing And

	(in concurrence)	Communal Services under the Government of the Kyrgyz Republic, Leading Specialist of the Development and Monitoring of Housing and Communal Services Department
21.	Jamilya Irsakova (Ms.) (in concurrence)	National Institute for Strategic Studies of the Kyrgyz Republic, Researcher
22.	Kanykei Orozbaeva (Ms.) (in concurrence)	National Statistical Committee of the Kyrgyz Republic, Head of the Statistics of Sustainable Development and the Environment Department
23.	Zuhra Abaihanova (Ms.) (in concurrence)	Climate Change Center, Director, Coordination Committee on Climate Change, Executive Secretary
24.	Shamil Iliasov (Mr.) (in concurrence)	Climate Change Center, Deputy Director
25.	Elena Rodina (Ms.) (in concurrence)	Committee Member of the National Strategy for Sustainable Development, Expert on Energy and Climate Change
26.	Representative (in concurrence)	JSC "National Energy Holding Company"

## **ANNEX D: Terms of Reference for the 1<sup>st</sup> Joint MDB Mission**

### **Kyrgyz Republic: Pilot Program for Climate Resilience**

#### **TERMS OF REFERENCE FOR THE 1<sup>st</sup> JOINT MDB MISSION**

Preparation of a Strategic Pilot Program for Climate Resilience (PPCR Phase I)

**18 – 22 April 2016, Bishkek**

#### **1. CONTEXT**

In March 2015, the Government of Kyrgyz Republic submitted an expression of interest (“EoI”) to the Climate Investments Funds (“CIF”) to participate as a pilot country in the Pilot Program for Climate Resilience (“PPCR”). The EoI was subsequently approved by the CIF Sub-Committee on 14 May 2015. The approval allocates USD 1.5 million of technical assistance grant resources to prepare a Strategic Program for Climate Resilience (“SPCR” or the “Programme”), a plan to mobilise and leverage finance for climate resilience in key economic sectors, from a variety of sources, including PPCR, MDB finance, climate finance mechanisms (incl. GEF, GCF), and development partners. The SPCR preparation grant will be executed by the Government of Kyrgyz Republic, in cooperation with the Multilateral Development Banks (“MDBs”) – the European Bank for Reconstruction and Development (“EBRD”) as the lead MDB for PPCR Phase I, the Asian Development Bank (“ADB”), and the World Bank (“WB”).

The main goal of the Kyrgyz Republic’s participation in the PPCR is to scale-up climate resilience actions and foster transformational change via the systematic integration of climate impact and risk management considerations into national development policies, investment planning, and programming, as well as strengthened national and sub-regional capacity. Building on the strategic thinking on climate resilience priorities carried out in-country as outlined in the Resolution of the Government “*On Approval of Priority Directions for Adaptation to Climate Change in the Kyrgyz Republic till 2017*”, it is envisaged that the PPCR process will provide a platform to support new and ongoing climate-resilience initiatives, while leveraging funding and minimising duplication. The PPCR process will continue to identify and build on the comparative advantages of relevant stakeholders in the country including government, bilateral and multilateral donor agencies, civil society, private sector, academia, and think tanks in creating a coherent and participatory response to climate change. The PPCR will set the stage for a broader climate change programme in the Kyrgyz Republic, to allow the Government to optimise and leverage financing opportunities from various sources (including private sector and civil society) in a way that best meets its strategic and programmatic needs.

A Joint MDB Scoping Mission was mobilised in 19-22 October in Bishkek to initiate a dialogue with the Government and its primary stakeholders to identify and plan the activities that will enable the sound preparation of the SPCR. As confirmed during the Scoping Mission<sup>8</sup>, the PPCR in the Kyrgyz Republic will be carried out in two phases. During phase I of the PPCR (targeted for less than 12

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<sup>8</sup> Aide memoire from the Scoping Mission can be found using [this](#) link.

months), the Kyrgyz Republic will (i) undertake institutional analysis in order to inform decisions on the longer-term capacity development needs of the Kyrgyz Government in the area of climate resilience strategic planning, (ii) build essential capacities for SPCR supervision, monitoring, and delivery, and (iii) undertake preparatory analytical work (including defining a set of criteria for a transparent prioritisation process) to identify priority investments within the broader context of the Kyrgyz Republic National Sustainable Development Strategy to help the country embark upon a climate resilient development path.

As the primary outcomes of the PPCR phase I activities, the Kyrgyz Republic will develop institutional capacity for SPCR delivery, and beyond for the mainstreaming of resilience into development planning and implementation, addressing priority capacity development needs and institutional gaps; and develop investment pipelines for the implementation phase (phase II) of the PPCR and beyond. By the end of phase I, the Government will be ready to submit the SPCR together with the financing plan to the PPCR Sub-Committee to request funding for phase II of the PPCR. The two phases may overlap with early investments in capacity building under phase I continuing into subsequent years.

Following CIF AU approval of the \$1.5 million SPCR Preparation Grant Request (Annex 1) and fielding of a team of international and national consultants, the MDBs will field a first Joint MDB Mission to the Kyrgyz Republic from 18 to 22 April 2016 in order to assist the Government of the Kyrgyz Republic in putting in place a clear and collaborative process for the formulation of the SPCR and to carry out PPCR phase I activities as identified during the Scoping Mission and subsequently presented in the Grant Request. These Terms of Reference (“ToR”) specify the objectives and expected outcomes of the PPCR First Joint MDB Mission. The mission will engage numerous bilateral and international donors as well as civil society organisations (“CSOs”), private sector, academia, research institutions, national and sub-national agencies and stakeholders active in the Kyrgyz Republic.

## **2. MISSION OBJECTIVES AND EXPECTED OUTCOMES**

The main objective of the PPCR First Joint MDB Mission is to commence the process of formulating the Strategic Programme for Climate Resilience (SPCR), through a participatory and inclusive consultation process with key stakeholders, in order to build consensus on priority activities for Phase I and II. The mission will identify strategic actions to promote an enabling environment for climate resilience, including institutional, regulatory, planning, budgetary and financial aspects.

The Joint MDB Mission will be hosted by the Government of the Kyrgyz Republic (the State Agency for Environmental Protection and Forestry as PPCR Focal Point), and will actively engage the spectrum of government ministries, committees and agencies (as appropriate) as well as development partners, civil society organisations and climate finance mechanisms.

Key tasks to be performed by the Joint MDB Mission will include:

- (vi) firming up country ownership of the PPCR process through broad inter-agency participation;
- (vii) evaluating the activities, programmes and projects that have been completed, are ongoing or under preparation that address climate change adaptation, analysing their achievements and challenges;

- (viii) identifying the longer-term capacity development needs of the Kyrgyz authorities in the area of climate resilience strategic investment planning (e.g., data, tools and technical assistance needs, skill mix and staffing required, institutional arrangements);
- (ix) developing rationale and criteria for identifying priority government sectors and climate resilience actions, with a focus on project development and implementation during Phase II; and
- (x) agreeing on the scope, cost and the necessary institutional arrangements for the SPCR formulation

Under the coordination and guidance of the Kyrgyz authorities, the Joint MDB Mission will organise a number of bilateral meetings, focus group meetings as well as workshops, from which input and recommendations for priority actions needed for climate resilience (as part of the SPCR) will be sought. The meetings and workshops will include the participation of government ministries and agencies, civil society organisations, private sector and other development partners.

The SPCR is envisioned as a strategic document that strengthens and is articulated with the Kyrgyz Republic National Sustainable Development Strategy (under revisions) and the Priority Directions for Adaptation to Climate Change in the Kyrgyz Republic.

Thematic discussions with key stakeholders to explore specific ideas for the SPCR will be organised, which will build on initial conversation held in October 2015. The thematic discussions will be co-chaired by a Government of the Kyrgyz Republic and an MDB/ bilateral/ international partner and may cover such topics as:

- (i) Institutional arrangements for achieving and financing climate resilient development activities and investments (Climate Finance Secretariat);
- (ii) Investment and capacity building needs, including:
  - Agriculture, land management and food security;
  - Energy security;
  - Integrated Water Resource Management (basin-wide to municipal utilities);
  - Hydro-meteorological forecasting and disaster management;
  - Social development, poverty and livelihoods/ Public health;
  - Forestry and biodiversity; and
  - Climate resilient transport infrastructure;
- (iii) Effective stakeholder engagement in SPCR implementation:
  - Role of civil society organisations in promoting climate resilient communities in the Kyrgyz Republic; and
  - Private sector engagement in promoting climate resilient development. Risks and opportunities arising from the process of adaptation and climate resilience.

Joint MDB Mission activities will benefit from the preliminary stakeholder scoping and advanced analytical work already undertaken, including national priority directions and programs, and the PPCR noted by the Kyrgyz Republic in its expression of interest.

The mission will work to establish a platform for coordinated work among development partners, the private sector, civil society organisations, and government with the aim of formulating strategic approach to intervention. The SPCR, and its respective portfolio of priority investments, will focus on promoting the integration of climate resilience into development planning processes and both the national and sectoral levels. Specifically, the expected outcomes from the Joint MDB Mission are:

- (i) identification of sectoral priorities and capacity gaps to address through climate resilient development (including agreement on the scope of work for the sector analysis and investment pipeline development under the Preparation Grant);
- (ii) recommendations on potential synergies between PPCR and on-going and planned climate change adaptation initiatives in-country (proposal for a coordinated approach to foster complimentary efforts); and
- (iii) establishment of the framework SPCR preparation and implementation (as well as the use of other sources of climate resilience finance<sup>9</sup>), including appropriate institutional set-up and modalities to be followed by all stakeholders.

The expected outputs from the Joint MDB Mission may be summarised as follows:

- (i) Aide Memoire, containing a key agreements reached, and a detailed work plan for the design and implementation of the SPCR as well as key activities of the PPCR Phase I; and
- (ii) Initial outline/ draft SPCR including preliminary/ indicative Climate Adaptation Investment Plan.

The MDBs will field a subsequent mission in summer 2016 to discuss progress on SPCR development.

### **3. PREPARATORY WORK FOR JOINT MDB MISSION**

Prior to fielding the Joint MDB Mission, a number of preparatory activities will be undertaken to ensure that PPCR programming is anchored in an inclusive and participatory process. Dialogue has been established with government, development partners, donor agencies, civil society and other relevant stakeholders during the course of the Joint Scoping Mission.

#### **3.1 Mission coordination:**

- a. Government and MDBs to confirm the Joint MDB Mission ToR
- b. MDB Focal Points to brief respective Country Office Representatives about the PPCR developments and mission ToR
- c. Government Focal Points to arrange mission meetings with key Ministries, National Agencies and Stakeholders to discuss key mission issues

#### **3.2 Early consultations ahead of the mission:**

- a. Government Focal Points will confirm that the Joint MDB Mission team seeks meetings with stakeholders as per the agenda below, with the objective of discussing the key topics

#### **3.3 Announcement of the Joint MDB Mission:**

- a. Government Focal Point will send notification to the CIF Administrative Unit confirming the mission

#### **3.4 Scoping work:**

- a. Inventory of on-going and planned climate resilience activities and investments, including discussion of their climate vulnerability
- b. Proposed draft criteria for investment selection, for discussion during mission

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<sup>9</sup> e.g. Green Climate Fund, Global Environment Facility, bilateral donors, etc.

- c. Establish synergies between the PPCR process and the process for the formulation of the Kyrgyz Republic National Sustainable Development Strategy (currently under revision)

#### 4. MISSION PROGRAMME

The Joint MDB Mission will last five (5) days. The proposed mission schedule is as follows:

Monday	Planning meetings with the Kyrgyz authorities and consultants
Tuesday	Thematic meetings with key stakeholders: <ul style="list-style-type: none"> <li>- Institutional arrangements for SPCR development and implementation (am)</li> <li>- Consultations at national and sectoral levels, and on specific climate vulnerability issues, information gaps, priority investments and capacity building needs (pm)</li> </ul>
Wednesday	Thematic meetings with key stakeholders: <ul style="list-style-type: none"> <li>- Consultations at national and sectoral levels, and on specific climate vulnerability issues, information gaps, priority investments and capacity building needs</li> <li>- Knowledge and learning from climate resilient activities and investment to date.</li> </ul>
Thursday	Thematic meetings with key stakeholders: <ul style="list-style-type: none"> <li>- Focus group workshop with representatives of the development partners and climate finance mechanisms (am)</li> <li>- Civil society stakeholder workshop (pm)</li> </ul>
Friday	Meeting with the PPCR Focal Points to: <ul style="list-style-type: none"> <li>- Clarify the scope and details of the proposed activities of the PPCR Phase I</li> <li>- Prepare outline/ draft SPCR</li> </ul>
Saturday-Sunday	Field visits (optional)

Full agendas for the bilateral meetings and workshops will be developed in advance of the Joint MDB Mission.

#### 5. MISSION COMPOSITION

MDB engagement for the Joint MDB Mission is coordinated by EBRD, and includes participation by ADB and WB. Logistical support in the Kyrgyz Republic will be provided by consultants. International and bilateral organisations are expected to participate on the mission in a consultative and/or associate role.

Key mission members from the MDBs are:

<b>European Bank for Reconstruction and Development (EBRD)</b>	<ul style="list-style-type: none"> <li>• Head of EBRD mission in Kyrgyz Republic</li> <li>• Craig Davies, Senior Manager, Climate Change Adaptation</li> <li>• Marta Modelewska, Policy Manager, Sustainable Resource Initiative</li> <li>• Nurlan Jumaliev, Municipal and Environmental Infrastructure Analyst</li> </ul>
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<b>Asian Development Bank (ADB)</b>	<ul style="list-style-type: none"> <li>• Head of ADB mission in Kyrgyz Republic</li> <li>• Cinzia Losenno, Senior Environment Specialist (Climate Change Adaptation)</li> <li>• Nathan Rive, Climate Change Specialist</li> <li>• Almaz Asipjanov, Consultant</li> </ul>
<b>World Bank (WB)</b>	<ul style="list-style-type: none"> <li>• WB Country Manager, Kyrgyz Republic</li> <li>• Kanta Kumari Rigaud, Lead Environmental Specialist, Climate Change Group – <b>TBC</b></li> <li>• Philippe Ambrosi, Senior Environmental Economist</li> <li>• Angela Armstrong, Senior Operations Officer – <b>TBC</b></li> <li>• Tolkun Jukusheva , Operations Officer</li> </ul>

## 6. LIST OF STAKEHOLDERS EXPECTED TO PARTICIPATE IN THE JOINT MDB MISSION

*NB this list is non-exhaustive and may be augmented/adjusted in advance of the mission.*

### **Kyrgyz Republic Ministries and Agencies:**

- Ministry of Economy of the Kyrgyz Republic
- Ministry of Emergency Situation of the Kyrgyz Republic, including Kyrgyzhydromet – National Agency for Hydrometeorology under the Ministry of Emergency Situations of the Kyrgyz Republic
- Ministry of Finance of the Kyrgyz Republic
- Ministry of Public Health of the Kyrgyz Republic
- Ministry of Transport and Communication of the Kyrgyz Republic
- Ministry of Agriculture and Land Reclamation of the Kyrgyz Republic
- Prime Minister’s Office
- State Agency of Architecture, Construction and Housing and Communal Economy under the Government of the Kyrgyz Republic (incl. Department of Drinking Water Supply and Sanitation Development)
- State Agency on Environment Protection and Forestry
- National Statistical Committee of the Kyrgyz Republic

### **Development Partners & International Organisations:**

- DFID
- Embassy of Finland
- Embassy of Germany/ GIZ
- Embassy of Switzerland/ SECO and SDC
- EU Delegation (plus representatives of DEVCO/IFCA)
- FAO
- JICA (Japan International Cooperation Agency)
- KFW
- KOIKA

- OECD
- UNDP
- UNECE
- UNEP
- USAID
- WMO
- World Food Programme

**Climate Finance Mechanisms:**

- Climate Investment Funds (CIF) Admin Unit
- Green Climate Fund (GCF) Secretariat
- Global Environment Facility Secretariat (GEF SEC)

**Civil Society Organisations:**

- Camp Alatau
- Climate Action Network of Kyrgyzstan (CANK)
- Climate Change Centre
- Fluid PF
- Kyrgyz Association of Forest and Land Users
- Mountain Partnership Secretariat
- MSDSP KG, Aga Khan Foundation
- Regional Environmental Centre for Central Asia
- Regional Mountain Centre
- UNISON